

Draft Audit Committee Annual Report: July 2021 – June 2022

1. Introduction

Good practice requires that the Trust's Board of Directors ('the Board') should review the performance of its Academies and Committees annually to determine whether they have been effective, and whether further development work is required.

The period reported on from the Audit Committee is **July 2021 to June 2022**.

The previous annual report from the Audit Committee covered the period July 2020 to June 2021.

2. Audit Committee Terms of Reference

The Audit Committee ('the Committee') is a Committee of the Board. The Committee's terms of reference were revised and approved by the Board in November 2021 allowing for the removal of reference to the 'Regulation and Assurance Committee'. In May 2022 the Board approved a further amendment under 'Duties' to make clear that the Committee is responsible for monitoring policy compliance.

The Terms of Reference of the Committee are attached at Appendix 1.

2.1 The role and objectives of the Audit Committee

The purpose of the Committee is to provide an independent and objective view of internal control to the Board of Directors and the Accountable Officer. It provides assurance regarding the comprehensiveness and the reliability of assurances on governance, risk management, the control environment and the integrity of financial statements.

The Committee supports the Board by critically reviewing and reporting on the relevance and robustness of the governance structures and assurance processes on which the Board places reliance.

The objective of the Committee is to provide assurance on the adequacy of audit arrangements (internal and external) and on the implications of assurances provided in respect of risk and control, with a view to enabling the Board to assure itself of the effectiveness of the Trust's risk management system and procedures and its internal controls including business continuity and information technology.

The role of the Committee, in accordance with its terms of reference in effect in from 2021/22 was to:

- Review the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the Trust's activities (both clinical and non-clinical) that supports the achievement of the Trust's objectives
- Ensure an effective Internal Audit function
- Ensure an effective Local Counter Fraud Service function
- Review and monitor the work and findings of the External Auditors, their independence and objectivity and the effectiveness of the external audit process and consider the implications of, and management's responses to, their work
- Review the Annual Report and Financial Statements before their submission to the Board for approval

- Review the findings of other significant assurance functions
- Report to the Board on the Committee's key findings

Utilising an Annual Self-Assessment, the Committee produces, complies with and monitors a benchmarked annual work plan to ensure that it fully complies with its obligations.

2.2 Reporting requirements

It is the duty of the Committee Chair formally and regularly to report, on a timely basis, to the Board on the Committee's activities by:

- Providing a written update report
- Ensuring that the minutes of the Committee's meetings are formally recorded by the Secretary and submitted to the Board of Directors. The Committee Chair draws to the attention of the Board of Directors any issues that require disclosure to the full Board of Directors, or require executive action.
- Bringing to the Board of Director's specific attention any significant matter under consideration by the Committee.
- Ensuring appropriate escalation arrangements are in place to alert the Foundation Trust Board Chair, Chief Executive or Chairs of other relevant Academies and Committees of any urgent/critical matters that may compromise the delivery of the Foundation Trust's Strategic Objectives.
- Reporting to the Board of Directors annually on its work in support of the Annual Governance Statement, specifically commenting on:
 - The fitness for purpose of the assurance framework
 - The completeness and 'embeddedness' of risk management in the Trust
 - The integration of governance arrangements
 - The appropriateness of the evidence that shows the Trust is fulfilling all relevant regulatory requirements and obligations
 - The robustness of the processes behind the production of the Quality Account
- Presenting to the Board an annual report summarising the Committee's activities and the assurance received and provided.

The Committee Chair is satisfied that the Committee fully complied with its reporting requirements during and in respect of July 2021 to June 2022.

3. Membership and attendance record during July 2021 and June 2022

From July 2021 to June 2022 the Committee met 7 times. Membership and attendance is recorded in the table below.

Membership / Meeting dates	27.07.21	02.11.21	01.02.22	12.04.22	24.05.22	15.06.22	21.06.22	total
Mr Barrie Senior (Chairman)	✓	✓	✓	✓	✓	✓	✓	7 of 7
Ms Julie Lawreniuk	✓	✓	0	✓	✓	✓	✓	6 of 7
Mr Jon Prashar	✓	✓	✓	✓	✓	✓	0	6 of 7
Ms Sughra Nazir			✓	0	✓	0	✓	3 of 5
Ms Selina Ullah	✓							1 of 1
✓ = Attended								
Denotes period when not a member of the Committee								

Audit Committee meetings are attended by the Director of Finance, an Assistant Director of Finance and the Associate Director of Corporate Governance/Board Secretary. Other senior Executives are invited to attend meetings when appropriate to discuss specific matters related to their roles. In addition the majority of the meetings of the Audit Committee were also attended by an Executive Director on a rotational basis. In year these included:

- Chief Medical Officer (27 July)
- Chief Digital and Information Officer (2 November 2021)
- Director of Human Resources (1 February 2022)
- Director of Estates and Facilities 12 April 2022)

The Chief Executive, as the Trust's Accountable Officer, attends at least one meeting per year and in 2022 the Chief Executive attended the meeting on 24 May 2022. Representatives of both Internal and External Audit also routinely attended the meetings.

4. Summary of the work of the Committee during and in respect of July 2021 to June 2022

4.1 Integrated Governance, Risk Management and Internal Control

During the reporting period the Committee executed a benchmarked annual work plan to ensure the acquisition of adequate assurance regarding integrated governance, risk management and internal control. Supplemented by the consideration of assurance provided by internal audit, counter fraud and external audit, the Committee gained assurance from and in respect of:

- Annual Accounts 2021/22
- Annual Governance Statement 2021/22
- Annual Report 2021/22
- Annual Reports from the Academies
- Annual Review of the Audit Committee Terms of Reference
- Annual Review of the Audit Committee Work Plan
- Annual Self-Certification: Compliance with the Conditions of the Provider Licence
- Appropriateness of Single Source Tenders
- Assurance Reports from Committees / Academies
- Assurance with regard to Key IT Systems
- Audit Committee Annual Report to Board
- Audit Committee Annual Self-assessment
- Board Assurance Framework and High Level Risk Register
- Clinical Audit Annual Report
- Clinical Audit High Priority Work Plan
- Clinical IT Applications - Assurance
- Corporate Governance Statement
- Cyber Security
- Data Quality (DQ) Assurance
- Declarations of Interest Annual Report
- Draft 2019/20 Charitable Funds Annual Report and Accounts (ARA)
- Draft ISA 260: 2019/20 Charitable Funds ARA
- Draft Letter of Representation 2021/22
- Draft Procurement Strategy
- Emergency Preparedness Resilience & Response (EPRR) 21/22 Work Plan and NHSE core standards
- Exception reports: Schedules of Losses and Special Payments

- Governance Review updates
- Letter of Representation: Charitable Funds ARA 2019/20
- Pathology Joint Venture Third Party Assurance
- Policies and Procedures for Ensuring Acceptable Data Quality for all Key Trust data
- Policy on Policies Review
- Production of the BTHFT Quality Account 2021/22
- Progress on Charitable Funds ARA 2020/21
- Proposed changes to the Scheme of Delegation/Standing Financial Instructions
- Quality Management System
- Risk Management Strategy Update
- Third Party Assurance

4.2 Internal Audit (IA)

Internal Audit and Local Counter Fraud Services are provided to the Trust by Audit Yorkshire. The Director of Finance is a member of the Audit Yorkshire Board which oversees Audit Yorkshire at a strategic level.

4.2.1 Internal Audit

In respect of the reporting period, the Committee considered and reviewed the following reporting from Internal Audit:

- Annual Head of Internal Audit Opinion and Internal Audit Annual Report 2021/22
- Annual Internal Audit Performance Review in respect of 2021
- Follow up of Internal Audit Recommendations
- Benchmarking of IA Recommendations Report
- Internal Audit Charter
- Internal Audit Progress Reports including; Individual Internal Audit review report summaries regarding 'high and significant assurance' reports and full reports on 'limited/no assurance' reports.
- Internal Audit Operational Plan 2022/25

The Committee approved the planning methodology to be used by Internal Audit to create the three year strategic Internal Audit Plan for 2022 to 2025 in April 2022. The reviews deferred from the 2021/22 plan have been risk assessed by Internal Audit and the Audit Sponsor to determine whether they should feature in the 2022/23 plan or be replaced by higher priority auditable areas. The Internal Audit programme of work will also include resources allocated to management requests and contingency to capture areas of risk that arise during 2022/2025.

The conclusions, as well as the findings and recommendations, of all Internal Audit reports finalised during 2021/22 were shared with the Committee. The Committee challenged Internal Audit on assurances provided and, where appropriate, requested additional information, clarification and follow-up work if considered necessary. The system whereby all Internal Audit recommendations are followed-up on a quarterly basis was scrutinised. Progress towards the implementation of agreed recommendations was reported (including full details of all outstanding recommendations) to the Executive Team. The Committee reviewed and was satisfied by the quarterly progress reports.

4.2.2 Head of Internal Audit Opinion

The Head of Internal Audit is required to provide an annual opinion, based upon and limited to the internal audit work performed, on the overall adequacy and effectiveness of the Trust's risk

management, control and governance processes. (i.e. the Trust's system of internal control). The 2021/22 Opinion was received by the Committee in June 2022 and a copy of this Opinion was included in the Trust's 2021/22 Annual Report and Accounts.

“The overall opinion for the period 1st April 2021 to 31st March 2022 provides Significant Assurance, that there is a good system of internal control designed to meet the organisation’s objectives, and that controls are generally being applied consistently.

In the Head of Internal Audit Opinion for 2020/21 we reported that the Internal Audit Standards Advisory Board (IASAB) had issued guidance regarding conformance with the Public Sector Internal Audit Standards (PSIAS) during the coronavirus pandemic (May 2020).

The pandemic has continued to have an impact on the progression of the audit programme during 2021/22 but not to the same level as in 2020/21. We have delivered the majority of the planned audit work, subject to agreed changes, and have continued to follow the advice provided in the above guidance to ensure we remain compliant with the PSIAS. We have continued to take a pragmatic approach during 2021/22, acknowledging the pressures across our client organisations. Where there has been an impact on the audit programme this has been communicated to and agreed with the Audit Committee and clear records of any changes have been maintained via our progress reports.”

A total of 46 audit reports were issued relating to the 2021/22 Internal Audit Operational Plan, of which 46 (100%) were finalised prior to reporting to the 15 June 2022 Audit Committee meeting.

4.2.3 Limited Assurance Opinion Report 2021/22

The Head of Internal Audit did find certain weaknesses in the design and/or inconsistent application of controls in certain areas which put the achievement of particular objectives at risk. Whilst a ‘significant assurance’ overall opinion was provided, four “Limited Assurance” reports were issued in 2021/22.

These related to:

- BH/25/2022 Fixed Term Contracts
- BH/26/2022 Consent
- BH/27/2022 ReSPECT Process
- BH/29/2022 Harm Free Care

The Committee has ensured that remedial actions in respect of the audit findings have been pursued.

The Head of Internal Audit Opinion contributed to the Committee’s and to the Board’s assessment of the effectiveness of the Trust’s system of internal control and to the completion of the Annual Governance Statement 2021/22.

4.3 Local Counter Fraud Service (LCFS)

The Local Counter-Fraud Specialist presented regular reports during the reporting period detailing progress towards achievement of the 2021/22 LCFS Plan, as well as summaries of investigations undertaken. The Committee has ensured that the LCFS has received all of the necessary support to enable them to perform their role efficiently, effectively and promptly.

All NHS organisations are required to provide assurance against the NHS Counter Fraud Functional Standard. The NHS Counter Fraud Functional Standard (CFFSR) has been produced by the NHSCFA to align with the Government Functional Standard GovS 013: Counter Fraud. The CFFSR accurately reflects how the Trust has performed against the new functional standards across 2021/22. The

CFFSR is divided into 13 individual “NHS Requirements”. All NHS organisations are required to assess themselves against these requirements annually, and to produce a CFFSR return which is submitted to the NHSCFA for review.

With regard to Green, Amber and Red compliance; the Trust achieved 12 Green ratings, and one Red rating.

The Red rating is consistent with the rating applied to all Audit Yorkshire clients as the ‘risk assessment methodology’ was unavailable at the start of 2021/22. The Green standards reflect accurately the work of the Trust and the LCFS over the course of 2021/22.

The Annual Counter Fraud Plan 2022/23 was reviewed and approved by the Audit Committee in April 2022.

4.4 External Audit / Financial Reporting

4.4.1 Appointment of External Auditor

Deloitte LLP was appointed as the Trust’s External Auditor from 1 June 2020 to 31 May 2023 (with an option to extend for a maximum of two years) in June 2020 by the Council of Governors in line with a recommendation from the Audit Committee. The process undertaken for the appointment of the External Auditor was reported upon in the Trust’s Annual Report and Accounts 2020/21. The appointment of Deloitte LLP was made in accordance with the Code of Audit Practice for NHS Foundation Trusts, issued by the National Audit Office on behalf of the Comptroller and Auditor General.

4.4.2 Key reports from External Audit

During and in respect of the reporting period, the Committee considered and reviewed the following reporting from the External Auditors:

- Annual Review of External Audit Performance
- Benchmarking and Sector Development Reports
- Charitable Funds ARA 2019/20 ISA 260
- Delay in issue of Certification
- Letter of Representation: Charitable Funds ARA 2019/20
- Progress on Charitable Funds ARA 2020/21
- External Audit Annual Plan 2022/23
- Foundation Trust Annual Report and Accounts 2021/22 ISA 260
- Letter of Representation Foundation Trust ARA 2021/22

External Audit Annual Plan 2021/22

The Audit Committee received and approved an External Audit Plan for 2021/22. The Plan identified significant inherent audit risks related to:

- Capital Expenditure
- Management override of controls

The Plan identified key audit judgements relating to:

- Revenue recognition

- Going concern applicability
- Value for money considerations

The Committee received the ISA 260 Report in June 2022. The report confirmed that no significant audit issues had arisen in respect of the significant inherent audit risks and key audit judgements listed above. There were a number of unadjusted misstatements identified however they were within the Trust's materiality threshold. An unmodified audit opinion was given on the Trust's accounts for 2021/22.

Following the Committee meetings in June 2022, the Committee made recommendations to the Board of Directors to approve the Audited Accounts, Annual Report and Annual Governance Statement for 2021/22.

However the Trust was still awaiting the outcome of the Value for Money audit and Audit Certificate from the External Auditor, which were received in August 2022.

4.4.3 Financial Reporting

During and in respect of the year, the Committee reviewed, gained assurance and approved the following:

- Draft and final Annual Accounts 2021/22
- Draft and final Annual Report 2021/22
- Draft and final Letter of Representation 2021/22

4.4.4 Use of External Audit to provide non-audit services

Any proposal for the use of the External Auditors to provide non-audit services is reported to, and dependent upon the nature and/or cost of the services prior approved by, the Committee. There were no such engagements in 2021/22.

4.5 Other significant assurance functions

During 2021/22, in addition to the assurances provided by Internal Audit, Counter Fraud and External Audit, the Committee has also been sighted on the progress made with regard to the development of the Board Governance structure and a revised Risk Management Strategy.

5 Conclusion

The Committee believes that during the period of reporting it took reasonable steps to perform its duties as delegated by the Board and specified in its terms of reference.

Barrie A Senior, FCA
Audit Committee Chairman

October 2022

Appendix 1

Audit Committee Terms of Reference

Purpose	<p>The purpose of the Audit Committee ('the Committee') is to provide an independent and objective view of internal control to the Board of Directors and the Accountable Officer. It provides assurance regarding the comprehensiveness and the reliability of assurances on governance, risk management, the control environment and the integrity of financial statements.</p> <p>The Committee supports the Board by critically reviewing and reporting on the relevance and robustness of the governance structures and assurance processes on which the Board places reliance.</p> <p>The objective of the Committee is to provide assurance on the adequacy of audit arrangements (internal and external) and on the implications of assurances provided in respect of risk and control, with a view to enabling the Board to assure itself of the effectiveness of the Trust's risk management system and procedures and its internal controls including business continuity and information technology.</p>
Responsible to	Board of Directors
Delegated authority	<p>The Committee is a non-executive committee of the Trust's Board ('the Board') and has no executive powers, other than those specifically delegated in these terms of reference.</p> <p>The Committee is authorised by the Board to act and investigate any activity within its terms of reference. All members of staff are directed to co-operate with any request made by the Committee.</p> <p>The Committee is authorised by the Board to instruct professional advisers and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary or expedient to the exercise of its functions</p> <p>The Committee shall embed the Foundation Trust's vision, standards, priorities and requirements, e.g. equality and human rights, through the conduct of its business.</p> <p>The requirements for the conduct of business as set out in the Foundation Trust Board's Standing Orders are equally applicable to the operation of the Committee.</p>
Duties	<p>Integrated governance, risk management and internal control</p> <p>The Committee will review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the</p>

whole of the Trust's activities (clinical and non-clinical), that supports the achievement of the Trust's objectives. In particular, the Committee will review the adequacy and effectiveness of:

- All risk and control related disclosure statements (in particular the Annual Governance Statement), together with any accompanying Head of Internal Audit opinion, External Audit opinion or other appropriate independent assurances, prior to submission to the Board of Directors
- The underlying assurance processes that indicate the degree of achievement of the Trust's objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statement
- The policies and procedures for ensuring compliance with all relevant regulatory, legal and code of conduct requirements and any related reporting and self-certifications
- The policies and procedures for all work related to counter fraud, bribery and corruption as required by NHSCFA.

In carrying out this work the Committee will primarily utilise the work of Internal Audit, External Audit, other Board Committees and other assurance functions, but will not be limited to these sources. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the over-arching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness. This will be evidenced through the Committee's use of an effective assurance framework to guide its work and the audit and assurance functions that report to it.

As part of its integrated approach, the Committee will have effective relationships with other key committees so that it understands processes and linkages.

Internal Audit

The Committee shall ensure that there is an effective Internal Audit function that meets the *Public Sector Internal Audit Standards, 2017* and provides appropriate independent assurance to the Committee, Accountable Officer and Board of Directors. This will be achieved by:

- Considering the provision of the Internal Audit service and the costs involved
- Reviewing and approving the strategic and annual Internal Audit plan, ensuring that this is consistent with the audit needs of the organisation as identified in the assurance framework.
- Considering the major findings of Internal Audit work (and management's responses) Ensuring coordination between the Internal and External Auditors to optimise the Trust's use of audit resources
- Ensuring that the Internal Audit function is adequately resourced and has appropriate standing within the Trust
- Monitoring the effectiveness of Internal Audit and carrying out an annual review.

External Audit

The Committee shall review and monitor the External Auditors' independence and objectivity and the effectiveness of the external audit process. In particular, the Committee will review the work and findings of the External Auditors and consider the implications and management's responses to, their work. This will be achieved by:

- Considering the appointment and performance of the External Auditors, as

- far as the rules governing the appointment permit (and make recommendations to the Board of Directors when appropriate)
- Discussing and agreeing with the External Auditors, before the audit commences, the nature and scope of the audit as set out in the External Audit annual plan
 - Discussing with the External Auditors their evaluation of audit risks and assessment of the organisation and the impact on the audit fee
 - Reviewing all External Audit reports, including the report to those charged with governance (before its submission to the Board of Directors) and any work undertaken outside of the annual External Audit plan, together with the appropriateness of management responses
 - Ensuring that there is in place a clear and appropriate policy for the engagement of External Auditors to supply non-audit services.

Other assurance functions

The Committee shall review the findings of other significant assurance functions, both internal and external to the Trust, and consider the implications for the governance of the Trust. These will include, but will not be limited to, any reviews by Department of Health and Social Care arm's length bodies or regulators/inspectors - for example, the Care Quality Commission, NHS Resolution, etc. and professional bodies with responsibility for the performance of staff or functions - for example, Royal Colleges, accreditation bodies, etc.

The Committee will review the work of other Committees within the organisation, whose work can provide relevant assurance to the Committee's areas of responsibility.

The Committee will have oversight of and receive assurances in relation to compliance with Trust policies.

Counter fraud

The Committee shall satisfy itself that the Trust has adequate arrangements in place for the prevention and detection of fraud, bribery and corruption that meet NHSCFA's standards and shall review the outcomes of work in these areas. The Committee shall refer any suspicions of fraud, bribery and corruption to the NHS Counter Fraud Agency.

The Committee shall receive and consider reports arising from quality inspections by the NHSCFA.

Management

The Committee shall request and review reports, evidence and assurances from Board Committees, directors and managers on the overall arrangements for governance, risk management and internal control. The Committee may also request specific reports from individual functions within the Trust.

Financial reporting and control

The Committee shall monitor the integrity of the financial statements of the Trust and any formal announcements relating to its financial performance. The Committee will ensure that the systems for financial reporting to the Board of Directors, including those of budgetary control, are subject to review as to the completeness and accuracy of the information provided. The Committee shall review the Annual Report and Financial Statements before submission to the Board of Directors, focusing particularly on:

	<ul style="list-style-type: none">• The Annual Governance Statement and other disclosures relevant to the terms of reference of the Committee• The quality of financial reports• Changes in, and compliance with, accounting policies, practices and estimation techniques• Explanations for significant variances• Unadjusted misstatements in the financial statements• Significant judgements in preparation of the financial statements• Significant adjustments resulting from the audit• The letter of management representation <p>As regards Standing Orders and Standing Financial Instructions, the Committee shall:</p> <ul style="list-style-type: none">• Seek assurance regarding the Trust’s compliance with Standing Orders and Standing Financial Instructions• Consider any proposed changes to Standing Orders and Standing Financial Instructions and, as appropriate, make recommendations to the Board. <p>The Committee shall review schedules of losses and special payments, and review single source tenders.</p> <p>The Committee shall receive, consider and derive assurance from reports relating to the Trust Charitable Funds Committee with regard to governance, risk management, control, audit and financial reporting.</p> <p>Whistleblowing / Freedom to Speak Up</p> <p>The Committee shall review the effectiveness of the arrangements in place for allowing staff to raise (in confidence) concerns about possible improprieties in financial control and reporting, clinical quality, or patient or staff safety or other matters and ensure that any such concerns are investigated proportionately and independently.</p>														
Chairing arrangements	The Chair of the Committee (‘the Chair’) shall be appointed by the Board of Directors from amongst its Independent, Non-Executive Directors. The Chair should have a financial qualification.														
Membership	<table><tr><th>Title</th><th>Role</th></tr><tr><td>Non-Executive Director</td><td>Chair To ensure the Committee functions properly, that there is full participation during meetings, that all relevant matters are discussed and that effective decisions are made and carried out.</td></tr><tr><td>Non-Executive Director</td><td>Deputy Chair. To provide independent oversight and challenge</td></tr><tr><td>Non-Executive Director X2</td><td>To provide independent oversight and challenge</td></tr><tr><td colspan="2">Attendees</td></tr><tr><td>Director of Finance</td><td>To support the purpose and aims of the Committee and to agree decisions, actions and provide input and feedback on management issues related to the agenda and work-plan</td></tr><tr><td>Associate Director of Corporate Governance/Board Secretary</td><td>To support the purpose and aims of the Committee and to agree decisions, actions and provide input and feedback on management issues related to the agenda and work-plan To support the Chair of the Committee in ensuring that the</td></tr></table>	Title	Role	Non-Executive Director	Chair To ensure the Committee functions properly, that there is full participation during meetings, that all relevant matters are discussed and that effective decisions are made and carried out.	Non-Executive Director	Deputy Chair. To provide independent oversight and challenge	Non-Executive Director X2	To provide independent oversight and challenge	Attendees		Director of Finance	To support the purpose and aims of the Committee and to agree decisions, actions and provide input and feedback on management issues related to the agenda and work-plan	Associate Director of Corporate Governance/Board Secretary	To support the purpose and aims of the Committee and to agree decisions, actions and provide input and feedback on management issues related to the agenda and work-plan To support the Chair of the Committee in ensuring that the
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		Committee functions properly
	Accountable Officer	To discuss annually with the Committee the process for assurance that supports the Annual Governance Statement. He or she shall also attend when the Committee considers the draft Annual Governance Statement and, the Annual Report and Accounts
	Representative(s) from Internal audit	To support the purpose and aims of the Committee and to agree decisions, actions and provide input and feedback on management issues related to the agenda and work-plan
	Representative(s) from external audit	To support the purpose and aims of the Committee and to agree decisions, actions and provide input and feedback on management issues related to the agenda and work-plan
	Assigned Local Counter Fraud Specialist	To support the purpose and aims of the Committee and to agree decisions, actions and provide input and feedback on management issues related to the agenda and work-plan. The assigned Local Counter Fraud Specialist will attend a minimum of two Committee meetings a year.
	Other Executive Directors/Directors	To support the purpose and aims of the Committee and to agree decisions, actions and provide input and feedback on management issues related to the agenda and work-plan as required by the Committee
<p>The Head of Internal Audit and lead representative of External Audit shall have a right of direct access to the Chairperson of the Committee.</p> <p>The Chairperson of the Trust shall not be a member of the Committee.</p>		
Secretary	Secretarial support will be provided by the Corporate Governance Team.	
Quorum	<p>A quorum shall consist of two of the four Independent members. Members should attend at least 75% of meetings within any calendar year. Attendance will be monitored and addressed by the Chair.</p> <p>Should any member be unavailable to attend, they may nominate a deputy, with full voting rights, to attend in their place subject to the agreement of the Chair.</p> <p>The Committee may ask any of those who are in attendance but who are not members to withdraw to enable a full and frank discussion of particular matters.</p> <p>Where the Committee is not quorate, the meeting should be rearranged within 2 weeks.</p>	
Frequency of meetings	<p>The Committee will meet at least five times per annum and shall agree a schedule of meetings at least 12 months in advance. The Committee will consider and keep under consideration the frequency and timing of meetings needed to allow it to discharge all of its responsibilities. The Board of Directors, Accountable Officer, External Auditors or Head of Internal Audit may request of the Committee Chairperson an additional meeting if they consider that one is necessary.</p>	

	<p>At least once a year the Committee shall meet privately with the external and with the internal auditors.</p> <p>At the request of the Chair, the Committee may hold meetings by telephone, video link or by email exchange. Normal rules relating to quoracy will apply to the functioning of such a meeting. These meetings will be deemed as standard meetings of the Committee and shall be documented accordingly.</p>
Circulation of papers	<p>The Associate Director of Corporate Governance/Board Secretary will hold an agenda setting meeting with the Chair and/or the Deputy Chair at least 3 weeks before the meeting date.</p> <p>The agenda will be based around the Committee's work plan, matters arising and requests from the Board of Directors or other Board Committees to consider specific issues. Following approval, the agenda and timetable for papers will be circulated to all Committee members.</p> <p>Agenda items along with accompanying papers to be submitted to the Committee secretary one week prior to meeting dates.</p> <p>The agenda and papers for meetings will be distributed five working days in advance of the meeting.</p> <p>The minutes, highlight report and action log will be circulated to members within seven working days of the meeting to check the accuracy.</p> <p>Members must forward amendments to the Committee secretary within the next seven days.</p>
Reporting	<p>The Committee Chair shall report formally, regularly and on a timely basis to the Board of Directors on the Committee's activities by:</p> <ul style="list-style-type: none"> • Providing a written update report (including detailed commentary on the assurance received and risks identified in relation to the key controls identified within the Board Assurance Framework) following each meeting and the presentation of an annual report for each of its operational duties. • The minutes of the Committee's meetings shall be formally recorded by the Secretary and submitted to the Board of Directors. The Chairperson of the Committee shall draw to the attention of the Board of Directors any issues that require disclosure to the full Board of Directors, or require executive action. • Bringing to the Board of Director's specific attention any significant matter under consideration by the Committee. • Ensuring appropriate escalation arrangements are in place to alert the Foundation Trust Board Chair, Chief Executive or Chairs of other relevant Committees of any urgent/critical matters that may compromise the delivery of the Foundation Trust's Strategic Objectives.

	<p>Reporting to the Board of Directors at least annually on its work in support of the annual governance statement, specifically commenting on:</p> <ul style="list-style-type: none"> • The fitness for purpose of the assurance framework • The completeness and 'embeddedness' of risk management in the Trust • The integration of governance arrangements • The appropriateness of the evidence that shows the Trust is fulfilling all relevant regulatory requirements and obligations • The robustness of the processes behind production of the Quality Accounts. <p>This Audit Committee Annual Report will also describe how the Committee has fulfilled its terms of reference and give details of any significant issues that the Committee considered and how they were addressed.</p> <p>If, through the course of Committee business an issue is raised which needs immediate escalation, or action taken, which is outside of the remit of the Committee this should be escalated to the appropriate Executive meeting, via the chair, for discussion and action.</p> <p>The Committee shall undertake an annual self-assessment. It will report thereon to the Board of Directors. These terms of reference and operating arrangements shall be reviewed on at least an annual basis by the Committee for approval by the Board of Directors.</p>
Date agreed by the Audit Committee:	12 April 2022
Date approved by the Trust Board:	12 May 2022
Review date:	October 2022